



# ENERGY ASSURANCE DAILY

Wednesday Evening, August 03, 2016

## *Electricity*

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### **Update: TVA's 1,155 MW Browns Ferry Nuclear Unit 1 in Alabama Ramps Up to 86 Percent by August 3**

On the morning of August 2 the unit had restarted and was operating at 59 percent. The unit was shut from 37 percent on July 27 and the cause was not immediately known.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

### **Update: FPL's 693 MW Turkey Point Nuclear Unit 3 in Florida Restarts August 2, Ramps Up to Full Power by August 3**

The unit shut from 82 percent on July 30 and the cause was currently unknown.

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2016/>

### **Solar Partners VIII's 133 MW Ivanpah Solar Unit 3 in California Shut by August 2**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201608021515.html>

### **AES's 506 MW Redondo Gas-fired Unit 7 in California Shut by August 2**

The unit entered an unplanned outage.

<http://content.caiso.com/unitstatus/data/unitstatus201608021515.html>

### **Duke Energy Renewables Completes 200 MW Los Vientos IV Wind Project in Texas August 3**

Duke Energy Renewables on Wednesday announced its 200 MW Los Vientos IV wind project began operations. Los Vientos IV marks the completion of the last of five area projects, totaling 900 MW, to begin operations in Starr County, Texas. Austin Energy is purchasing the power and associated renewable energy credits from the Los Vientos IV wind farm under a 25-year agreement.

<https://news.duke-energy.com/releases/releases-20160803>

### **ERCOT Forecasts Texas Power Demand to Hit 2016 Peaks this Week Due to Heat Wave, Supplies Expected to Be Sufficient**

The Electric Reliability Council of Texas (ERCOT), which operates the power grid in most of Texas, on Wednesday forecast peak demand would reach 68,371 MW on Wednesday and 68,454 MW on Thursday due to a heat wave hitting the state. ERCOT added it expects supplies to be sufficient to meet the peak. Tuesday's preliminary peak of 67,503 MW was the unofficial high so far for the year. ERCOT's all-time peak was 69,877 MW set on August 10, 2015. In the spring, the grid forecast demand would top out around 70,588 MW during the summer of 2016. The U.S. National Weather Service issued a heat advisory for some of the biggest cities in Texas, including San Antonio and Dallas. A spokeswoman at ERCOT said the grid had more generation available on Wednesday than on Tuesday and did not anticipate any operating problems so long as all of the generation remains available. However, generation from wind resources was running below forecast at just under 2,000 MW. There are about 16,000 MW of wind power in ERCOT. ERCOT issued notices on both Tuesday and Wednesday that operating reserves were expected to fall below 3,000 MW. The grid operator issued nine similar notices in July. ERCOT did not anticipate needing to use rotating outages to manage power usage this week.

<http://www.ercot.com/gridinfo>

Reuters, 14:58 August 3, 2016

### **Crescent Point Energy Pipeline Spills 630 Barrels of Oil Emulsion in Saskatchewan August 2**

A Crescent Point Energy pipeline in Saskatchewan spilled 630 barrels of oil emulsion on Tuesday, a government official said on Wednesday. The spill happened on land near the village of Pennant and did not affect wildlife or water that is used for drinking, the deputy minister of Saskatchewan's ministry of economy said. Emulsion is a mixture of oil and mostly water. Crescent Point shut in the line and recovered the spilled oil, the minister said. The leak ran into a slough in a farmer's field, where it was contained, said a Crescent Point spokesman, adding that clean-up is nearly finished.

Reuters, 15:28 August 3, 2016

### **CSB Releases Final Report on Sulfuric Acid Releases at Tesoro's 156,400 b/d Martinez, California Refinery**

The U.S. Chemical Safety Board (CSB) on Tuesday released its final report into multiple sulfuric acid releases that occurred in 2014 at the Tesoro refinery in Martinez, CA. The report includes key process safety findings related to safety culture, safety indicators, and the continued need for a proactive regulator to conduct preventive inspections. On February 12, 2014, an incident occurred at the Tesoro refinery in Martinez, which burned two workers and released an estimated 84,000 pounds of sulfuric acid. On March 10, 2014, sulfuric acid sprayed and burned two contract workers during the removal of piping. Both incidents occurred in the refinery's alkylation unit. The CSB's case study examines the refinery through the evaluation of previous incidents, worker statements, gaps in safety standards, deviations from established procedures and practices, and past efforts to assess and strengthen site safety culture. Following recent CSB investigations into other accidents at petroleum refineries such as the Chevron's refinery in Richmond, California, and Tesoro's refinery in Anacortes, Washington, the CSB recommended changes to strengthen refinery regulations in California and Washington. The state of California has issued a draft refinery process safety management standard containing more rigorous safety regulations for the oversight of petroleum refineries.

<http://www.csb.gov/csb-releases-final-report-on-facility-safety-culture-following-a-series-of-sulfuric-acid-releases-at-the-tesoro-martinez-refinery-in-california/>

### **Update: Valero May Restart Hydrogen Plant at Its 190,000 b/d Memphis, Tennessee Refinery August 4 – Sources**

Valero Energy Corp may restart the hydrogen plant at its Memphis, Tennessee refinery as early as Thursday if repairs to the unit's boiler are completed as planned on Wednesday, sources familiar with plant operations said. The refinery has made slight adjustments in production on some units due to the hydrogen plant outage, the sources said on Wednesday. The refinery's reformer tripped out of production on Tuesday night, but was quickly restored to normal production, according to the sources.

Reuters, 10:53 August 3, 2016

### **Update: BP Cuts Production at Its 413,500 b/d Whiting, Indiana Refinery Due to Repairs August 3 – Sources**

Production at BP Plc's Whiting, Indiana refinery has been cut by less than 20 percent as repairs were continuing on the reformer unit, sources familiar with plant operations said on Wednesday. Production on the 60,000 b/d reformer, called Ultraformer 4, was cut over the weekend for repairs to the lubricating oil system for the unit's compressor, the sources said. Production has also been cut back on a blending oil unit that supplies the reformer.

Reuters, 12:47 August 3, 2016

### **Saturated Gas, Hydrotreating Unit at Valero's 335,000 b/d Port Arthur, Texas Refinery Return to Normal Operations August 3 after Malfunction August 2 – Sources**

A saturated gas recovery unit (SGRU) and a hydrotreating unit were back to normal operation by Wednesday morning at Valero Energy's Port Arthur, Texas refinery, said sources familiar with plant operations. A malfunction on the hydrotreater on Tuesday caused a malfunction on the SGRU, which triggered the refinery's safety flare system, the sources said.

Reuters, 11:24 August 3, 2016

## **U.S. Crude Inventories Rise by 1.4 Million Barrels July 29**

U.S. crude inventories rose by 1.4 million barrels in the last week, data from the Energy Information Administration (EIA) showed on Wednesday. Crude stocks at the Cushing, Oklahoma delivery hub fell by 1.12 million barrels, EIA said. Refinery utilization rates rose by 0.9 percentage points. U.S. crude imports rose last week by 301,000 b/d. Reuters, 10:37 August 3, 2016

## **HollyFrontier Does Not Expect Refinery Economic Run Cuts in Third Quarter 2016**

HollyFrontier Corp does not expect economic run cuts at its six refineries, which are based in the central and western U.S., in the third quarter, the company's president and chief executive said on Wednesday. The company plans to run its refineries up to 96 percent of their combined capacity of 467,350 b/d in the third quarter. Some U.S. refiners cut gasoline production in the second quarter as a surplus of gasoline in the East Coast and Midwest markets combined with rising oil prices to slash refining profit margins from highs seen in the past two years.

<http://www.hollyfrontier.com/investor-relations/press-releases/Press-Release-Details/2016/HollyFrontier-Corporation-Reports-Quarterly-Results-and-Announces-Regular-Cash-Dividend/default.aspx>

Reuters, 10:50 August 3, 2016

## **Enbridge Announces Agreement to Acquire Equity Interest in Bakken Pipeline System August 2**

Enbridge Energy Partners, L.P. (EEP) and Enbridge Inc. on Tuesday announced that EEP and Marathon Petroleum Corporation formed a joint venture, which in turn has entered into an agreement to acquire a 49 percent equity interest in the holding company that owns 75 percent of the Bakken Pipeline System from an affiliate of Energy Transfer Partners, L.P. and Sunoco Logistics Partners L.P. Under this arrangement, EEP and Marathon Petroleum would indirectly hold 75 percent and 25 percent, respectively, of the joint venture's 49 percent interest in the holding company of Bakken Pipeline. Closing of the transaction is subject to certain conditions, and is expected to occur in the third quarter of 2016. The System consists of the Dakota Access Pipeline (DAPL) and the Energy Transfer Crude Oil Pipeline (ETCO) projects. Phillips 66 owns the other 25 percent in each pipeline project. Both the DAPL and ETCO projects are highly contracted and secured by long-term take-or-pay contracts with creditworthy counterparties. DAPL is a new 30-inch diameter pipeline from the Bakken/Three Forks production area in North Dakota to market centers in Patoka, Illinois. DAPL is expected to initially deliver in excess of 470,000 b/d of crude oil and has the potential to be expanded to 570,000 b/d. The construction of terminals began in January 2016, mainline pipeline construction began in May 2016, and all major materials and equipment have been procured. ETCO, formerly one of the Trunkline pipelines, is a converted natural gas pipeline from Patoka to the Sunoco Terminal in Nederland, Texas. The pipeline consists of 62 miles of new 30-inch diameter pipe, 686 miles of converted 30-inch diameter pipe, and 40 miles of converted 24-inch diameter pipe. Construction of the new pipe began in April 2016. Both the pipe conversion and the pump stations are over 90 percent complete. Both DAPL and ETCO are expected to be ready for service by the end of 2016.

<https://www.enbridgepartners.com/Media-Center/News.aspx?queryYear=2016&ReleaseId=2192193>

## **Natural Gas**

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### **Regency Reports AGI Compressor Shut at Its 290 MMcf/d Waha Gas Plant in Texas August 2**

Regency reported the acid gas injector (AGI) shut due to a motor failure and a blown fuse. Repairs were in progress, according to Regency.

<http://www2.tceq.texas.gov/oce/eeer/index.cfm?fuseaction=main.getDetails&target=240582>

### **California Judge Cuts Potential Fine against PG&E in Pipeline Explosion Case August 2**

A judge on Tuesday cut nearly all of a potential \$562 million fine against Pacific Gas & Electric Co. (PG&E) in a criminal case alleging it violated safety regulations before a deadly 2010 natural gas pipeline explosion in California and then obstructed investigators. The U.S. Attorney's Office requested the lower fine in a court filing earlier on Tuesday. The 2010 explosion sent a giant plume of fire into the air, killing eight people and destroying 38 homes in the San Francisco Bay Area city of San Bruno. PG&E now faces a maximum fine of \$6 million if convicted of 11 pipeline safety violations and obstructing investigators after the blast.

Reuters, 6:31 August 3, 2016

## Bear Paw Receives Approval to Construct Natural Gas Pipeline in Nova Scotia August 3

Bear Paw Pipeline Corporation Inc., an indirect wholly owned subsidiary of Liquefied Natural Gas Limited (LNG), on Wednesday announced it received Nova Scotia Utility and Review Board approval to construct a 39-mile natural gas pipeline from Goldboro to the proposed Bear Head LNG liquefied natural gas (LNG) export facility in Point Tupper, Richmond County, Nova Scotia. All required initial permits are now in place for Bear Head LNG to construct the liquefied natural gas export facility in Point Tupper on the Strait of Canso southeast of Port Hawkesbury. Canada's National Energy Board and the U.S. Department of Energy have granted export licenses for the facility. LNG produced at the facility will be transported by LNG vessels to overseas markets. Bear Paw would interconnect the Maritimes and Northeast Pipeline (M&NP) mainline, offshore gas, and other supplies near Goldboro Nova Scotia, to the Bear Head LNG export facility. The Goldboro to Point Tupper pipeline will connect Bear Head LNG to the North American natural gas pipeline network. Expenditures for construction of the pipeline will commence after financial closing of the Bear Head LNG project, the company said.

<http://www.lnglimited.com.au/irm/PDF/3931/BearPawReceivesApprovaltoConstructNaturalGasPipeline>

## Other News

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Nothing to report.

## International News

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Nothing to report.

## Energy Prices

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U.S. Oil and Gas Prices			
August 3, 2016			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	40.75	41.85	45.62
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	2.79	2.72	2.77

Source: Reuters

## Links

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***This Week in Petroleum*** from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

***Weekly Petroleum Status Report*** from EIA

[http://www.eia.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM ET every Wednesday.

***Natural Gas Weekly Update*** from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM ET every Thursday.

## ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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